

W-02514A-14-0343

ORIGINAL



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## ARIZONA CORPORATION COMMI

## UTILITY COMPLAINT FORM

RECEIVED

Investigator: Jenny GomezPhone:

2015 FEB 27 A 10: 35

Priority: Respond Within Five DaysAZ CORP COMMISSION  
DOCKET CONTROLOpinion No. 2015 - 121057Date: 2/20/2015Complaint Description: 08A Rate Case Items - Opposed  
N/A Not ApplicableFirst:Last:Complaint By: Greg

Lengsfeld

Account Name: Greg LengsfeldHome:Street:Work:City: Green ValleyCBR:State: AZ Zip: 85614is:Utility Company: Quail Creek Water Co., Inc.Division: WaterContact Name:Contact Phone:Nature of Complaint:

\*\*DOCKET NO. W-02514A-14-0343\*\* OPPOSE

We understand the request for increased water rates and tiered rates to encourage conservation; however, we object to the structure of the proposed rate increase for residential customers because it is unfair to some of the Quail Creek Water Company customers, specifically residential customers with other than the common 5/8" by 3/4" meter.

Arizona Corporation Commission

SEE ATTACHED FOR COMPLETE COMMENTS

DOCKETED

Submitted by Greg Lengsfeld & Kathy Hamilton,  
AZ

FEB 27 2015

Public comment regarding Quail Creek Water Company Rate Increase Request Docket  
No. W-02514A-14-0343:

DOCKETED BY

We understand the request for increased water rates and tiered rates to encourage conservation; however, we object to the structure of the proposed rate increase for residential customers because it is unfair to some of the Quail Creek Water Company customers, specifically residential customers with other than the common 5/8" by 3/4" meter.

The slides presented by Ray Jones, a consultant for Quail Creek Water, a Robson Company, on Tuesday, January 27, 2015, indicated that the proposed base fees and water rates are not equitable to all residential homeowners. Mr. Jones indicated that some high usage residential properties would be impacted more than others. He stated that 93% of the residential customers have 5/8" x 3/4- meters and that they would pay less for both their base fees and for their water usage than some of the remaining residential customers that have larger meters. It was also implied that the high usage properties were in the older units of Quail Creek or in the Stone House development, which is capricious and unfounded.

# ARIZONA CORPORATION COMMISSION

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According to the rate increase request, Docket No. W-02514A-14-0343, residential customers with 5/8" x 3/4" meters and residential customers with a 3/4" meter will both pay lower base rates and lower water usage rates than residential customers with 1" meters. This assumes that homes with larger meters use more water. This is not always the case and is arbitrary, inequitable, and unreasonable. All residential customers should be treated equally.

The current monthly bills received from the Quail Creek Water Company do not include any type of breakdown for the monthly charges, other than taxes. This makes it very difficult for water customers to know how much is being charged for the base rate and how much is being charged for actual water usage.

When we purchased our home from Robson Communities, Inc. in 2013, we were not told that our home would be one of approximately 7% in the Quail Creek community that would be charged a premium for water. Our home was built in Unit 21, which was not open for building until March of 2013, so it is not in an older unit of Quail Creek. We did not select a larger meter (1"); it was installed by the builder.

We currently pay a base fee of \$25 instead of \$15, which is 40% more than what about 93% of the Quail Creek Water Company residential customers are charged. Under the proposed rates in Docket No. W-02514A-14-0343, the base fee of \$35 for our home is \$13.77 higher than the proposed rate of \$21.23 base fee proposed for 93% of our neighbors. In addition, the proposed inverted tier rates for water usage do not include the lower per gallon rate of \$4.68 for the first 4,000 gallons of water for those homes such as ours with a 1" water meter.

The documents submitted by the Quail Creek Water Company state that the average usage is 5,725 gallons per month. We are year-round residents that practice water conservation, and our average usage was 3,368 gallons per month for the period of March, 2014 through December, 2014. Based upon those figures, we use about 58% of the average, which is certainly not indicative of being a high usage customer.

If the proposed rates are implemented, based upon our current average usage of 3,368 gallons per month, we will be charged \$50.76 plus tax per month, while our neighbors using the same amount of water will be charged \$33.29 plus tax per month. This is a penalty of \$2,264.73 over 10 years. This disparate treatment is unreasonable and unfair. Based upon Mr. Jones' presentation, the proposed rates are based upon an arbitrary assumption of water usage, instead of being based upon actual usage. We are being penalized even though we conserve water.

Our home has two full baths and one half bath, the same as most of the Quail Creek Water Company residential customers. We could not find any information in the Rate Increase Request submitted by Quail Creek Water Company that showed there are increased costs to provide water service to a 1" residential meter versus either a 5/8"x3/4" residential meter or a 3/4" residential meter. If there are not increased costs, what is the justification for charging substantially higher rates for the same water usage?

Because the proposed rates arbitrarily assign higher rates to some homeowners for the same water usage as others, it is not fair to all of the Quail Creek Water Company residential customers.

This inequity can be fixed by charging all residential customers the same base rate and the same per 1,000 gallon inverted tier rates. The rates will then reflect charges for actual usage, as opposed to the proposed base rates and inverted tier rates, which both unfairly penalize some homeowners for something they had no control over. What all homeowners do have control over is how much water they do use, which should be reflected in their water bill.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

# ARIZONA CORPORATION COMMISSION

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Noted and filed for the record in Docket. Closed

\*End of Comments\*

Date Completed: 2/20/2015

Opinion No. 2015 - 121057

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